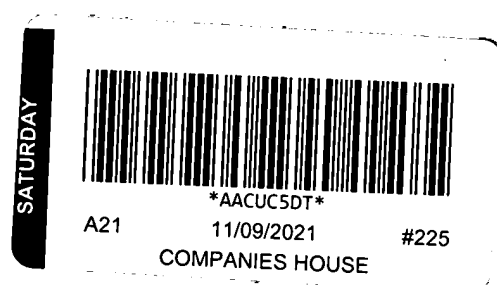


Registration number: 03720071

Fresh Trading Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



FRESH TRADING LIMITED

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FRESH TRADING LIMITED

Company Information

Directors	J L Davenport D Lamont S Roche (resigned 18 February 2021)
Company secretary	J L Davenport
Registered office	Fruit Towers 342 Ladbroke Grove London W10 5BU
Solicitors	Joelson 30 Portland Place London W1B 1LZ
Bankers	Bank of Scotland plc The Mound Edinburgh EH1 1YZ Citibank 1 Northwall Quay Dublin 1 Ireland
Auditors	Ernst & Young Harcourt Centre Harcourt Street Dublin 2 Ireland

FRESH TRADING LIMITED

Strategic Report for the Year Ended 31 December 2020

The directors present their report for the year ended 31 December 2020.

Principal activities

The principal activities of Fresh Trading Limited during the year is that of an investment holding company and the maintenance, management, protection and development of the intellectual property on a global basis.

Group financial statements have not been prepared as the Company is exempt from preparing such financial statements under section 401(1) of the Companies Act 2006. The Company's financial statements present information about it as an individual company and not about its group.

Group performance

As the Company is an investment holding company (being the Parent company of Innocent Limited and Fresh Trading Supply B.V.), in discussing the development and performance of the Company, it is considered appropriate to present below the key performance indicators of the Company together with the key performance indicators of its subsidiaries on a consolidated basis ("the Group", also known as "innocent").

	2020 Unaudited £m	2019 Unaudited £m	Change %
Group turnover	423.4	431.8	(2)
Group operating (loss)/profit	4.8	(6.0)	180
Group tax charge	(3.1)	(5.7)	(46)
Group (loss)/profit after tax	(1.9)	(13.1)	(85)
Group shareholder funds	245.5	238.2	3
Group charitable donations	(1.6)	(1.4)	14
Average number of employees	648.0	578.0	12

Despite the challenges of the Covid crisis in 2020, the year ended 31 December 2020 was a year of significant progress for the innocent business as we seek to deliver on our purpose to "make natural delicious food and drink that helps people and the planet live well and die old". As a B Corp, we are deeply committed to a progressive leadership model that seeks to balance purpose, people, planet and profit.

Making a positive contribution during Covid

In a year where health was top of many people's priorities, we were proud to help over 50 million drinkers consume more than 1.35 billion portions of nutrient dense fruit and vegetables across the 24 countries in which we operate. In addition, we made sure in these challenging times we supported the communities in which we operate with over 200,000 cases of drinks donated, £0.6 million in cash donated and £2 million committed to causes connected to the Innocent Foundation. In addition, we did not rely on any external assistance such as furlough schemes and ensured any under-utilised team members were fully engaged on our long-term transformation efforts.

While we did not grow our Group turnover in 2020 (-£8.4m / -2%) we did have a good performance in take-home products offsetting the challenging environment in our on-the-go business due to the pandemic. We grew our market share for the eleventh year in a row with a 0.1% point increase to 21.4% and we remain the clear number one brand in the chilled juice category in our European markets. We delivered a £10.8m operating profit increase (£4.8m Operating profit) but in line with our strategic plan continue to invest the majority of our profit potential in the longer-term growth and transformation opportunities for the business.

FRESH TRADING LIMITED

Strategic Report for the Year Ended 31 December 2020 (continued)

Transforming the business for the long term

The progress we made in our long-term transformation despite the restrictions of the pandemic was one of the key highlights of our year.

The construction of our first manufacturing facility in Rotterdam, and what we believe will be the world's most sustainable food and drink site, began in February 2020. We remain on track to hit our launch timetable for commercial production in Q3 2021 and in line with our budget for this programme. A broader transformation of the operating systems for the business has progressed well and is also on track for launch in H2 2021.

Our expansion in Asia continued in 2020, with a growing distribution footprint in Japan and a launch in May 2020 into China. Whilst we are in the early stage of the cycle in both these markets, we are pleased with the consumer reception to the brand and the operating capabilities we have already built. This enables us to capitalise on the potential growth opportunities available post-pandemic.

Operate our business in a responsible way and influence wider change

The way we do business is also a fundamental part of our operation. As a B Corp we are fully committed to continually improving the way we run the business to balance profit delivery with purpose, people and the planet. In 2020 we published our first "Good all round" report setting out in detail our approach to this leadership model. This report and all future ones can be reviewed on our website here <https://www.innocentdrinks.co.uk/static/innocent-good-all-round-report-2019.pdf>. This report does not form part of the Annual Report. Our aim was not only to share our successes but also our failures and our learnings. As more and more businesses look to transition to a more progressive leadership model it is vital we all learn from each other in a spirit of open collaboration, this is the only way we will be able to steer the world to a fairer and more sustainable future.

Looking to the future

We remain extremely confident about the long-term prospects for the business. We believe that our ability to continue to innovate against a growing health and wellness trend provides us with lots of potential growth opportunities as we return to more normalised trading conditions. In addition, with increasing consumer focus on how companies operate, our long-term commitment to our purpose and our status as a B Corp means we are well placed. As we complete the major building blocks of our transformation in 2021, we will have an operating platform that enables us to increase our resilience, capitalise on our scale and an ability to invest in future growth as well as continue to support our people, the planet and those less fortunate than ourselves.

What we are up to on climate change - leading the way on carbon reduction

Creating a fairer and more sustainable world is a challenge. Not only do we all need to play a part individually, but businesses need to make brave and bold commitments to lead the agenda. Climate change is one of the biggest challenges facing humankind right now and we are keen to be bold and demonstrate leadership in this area. That is why in 2019 we joined a community of more than 500 B Corps to announce our commitment to being carbon neutral by 2030. Alongside that we want to make sure that we keep the carbon footprint of our drinks as low as possible. To do that, we are committed to reducing our carbon footprint per bottle by 20% between now and 2023.

For more information on the please refer to our "Good all round" report on our website here: <https://www.innocentdrinks.co.uk/static/innocent-good-all-round-report-2019.pdf>. This report does not form part of the Annual Report. Additionally, the Financial Statements of Innocent Limited, a subsidiary of Fresh Trading Limited, disclose the UK carbon statistics of the Group under the SECR reporting guidelines in the Directors Report.

FRESH TRADING LIMITED

Strategic Report for the Year Ended 31 December 2020 (continued)

Principal risks and uncertainties

Financial risks

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital management and to reduce the impact of price fluctuations, whether due to the demand for raw materials or foreign currency fluctuations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Company's policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The Company aims to manage cash flow risk by monitoring and reviewing working capital.

Pricing risk

Pricing risk is the risk that the movement in the price of key materials will adversely affect the profitability of the business. The Company aims to manage the risk of movement in the price of fruit by the use of purchase contracts to secure future supply.

Currency risk

The Group uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

Competitive risks

Competitive risks have continued to increase with the introduction of new competitors and supermarket own brand chilled juice drinks and the level of promotional activity and discounts in the market. The Company aims to mitigate competitive risks by launching new products to markets to meet drinkers changing needs.

Litigation

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

Laws and regulations

Changes in, or failure to comply with, the laws and regulations applicable to our business operations could increase our costs or reduce our net operating revenues.

Brexit

The Group has reviewed the EU-UK Trade and Cooperation Agreement in detail. Unfortunately, the Group will be impacted by additional tariffs on some of our product lines and increased administration costs associated with executing the parameters of the deal, though with mitigations being implemented, Brexit should not have a material impact on profitability.

Coronavirus impact

During 2020, the Company was impacted by the spread of COVID-19. The Company saw a significant change in consumer purchase patterns, seeing declines in our on-the-go products, but with juice sales remaining strong as consumers continued to purchase take-home products. At various times in the year lockdowns impacted a combination of the markets the Company operate in. As the Company operates in one of the more resilient sectors it has seen improvement during the course of the year and into 2021. The Company continues to adapt quickly to the current environment and is well positioned coming out of the crisis.

FRESH TRADING LIMITED

Strategic Report for the Year Ended 31 December 2020 (continued)

Company performance

Fresh Trading Ltd made a loss after tax in 2020 of £15.9m, which reflects its role as the residual profit/loss holder for its group. The loss for 2020 was in line with the business's expectations for the year and is in addition to the profits made by other members of the group.


Charitable donations

During the year, the Group have agreed to make charitable contributions of £1,635,000 (2019: £1,473,000) to charities, taking our total charitable contributions to date to over £16 million. At this point in time, on a rolling basis we are substantially ahead of our 10% of profits to charity commitment.

The table below sets out the 5-year cumulative profit or loss the Group has made each year since 2016, the amount of money committed to charity on the same basis, and the donation as a percent on profit after tax on the same basis.

	2016	2017	2018	2019	2020
Cumulative 5 year total charitable donation	6,828	6,694	7,772	8,135	8,216
Cumulative 5 year PAT	<u>25,619</u>	<u>(6,630)</u>	<u>2,981</u>	<u>(14,819)</u>	<u>(13,967)</u>
Cumulative 5 year donation as a % of PAT	<u>27</u>	<u>-</u>	<u>270</u>	<u>-</u>	<u>-</u>

Approved by the Board on 18 May 2021 and signed on its behalf by:



 J L Davenport
 Company secretary and director

FRESH TRADING LIMITED

Directors' Report for the year ended December 2020

The directors present their report and audited financial statements for the year ended 31 December 2020.

Directors of the Company

The directors, who held office during the year, were as follows:

J L Davenport - Company secretary and director

D Lamont

S Roche (resigned 18 February 2021)

Principal activity

The principal activities of Fresh Trading Limited during the year is that of an investment holding company and the maintenance, management, protection and development of the intellectual property on a global basis.

The Groups principal activities during the year continued to be the development, manufacturing and distributing of natural healthy drinks.

Dividends

The directors do not recommend that the Company pay a dividend in respect of the financial year ended 31 December 2020 (2019: Nil).

Charitable donations

As discussed in the strategic report the Group have made charitable contributions of £1,635,000 (2019: £1,473,000). The Company has made charitable contributions of £950,000 (2019: £950,000).

Future developments

The Company intends to continue operating in line with current activity.

Events after the balance sheet date

There were no significant adjusting or non-adjusting events between the Balance Sheet date and the date of signing of the financial statements.

Research and development

The Company carries out research and development necessary to support its principal activities in supporting the development of natural healthy drinks.

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to risk are described in the Strategic Report on pages 2 to 5.

The financial statements have been prepared on a going concern basis as, having reviewed the current position and cash flow projections of the Company (including those of its subsidiaries), the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements. Fresh Trading Limited has received a letter of support from its parent company, European Refreshments, stating its commitment to provide continuing financial support to enable the Company to meet financial obligations as and when they fall due up to 30 June 2022, but only to the extent that money is not otherwise available to meet such liabilities.

The response to the impact of COVID-19 is set out in the Strategic Report section above. It is our view, to the best of our current knowledge, that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern. Further details regarding the adoption of the going concern basis, in preparing the financial statements, can be found in the Accounting Policies (Note 3).

FRESH TRADING LIMITED

Directors' Report for the year ended December 2020 (continued)

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 18 May 2021 and signed on its behalf by:


.....

J L Davenport
Company secretary and director

FRESH TRADING LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK law and regulations.

UK Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under UK company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless they consider that to be inappropriate.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 18 May 2021 and signed on its behalf by:


.....

J L Davenport

Company secretary and director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESH TRADING LIMITED

Opinion

We have audited the financial statements of Fresh Trading Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESH TRADING LIMITED (Continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESH TRADING LIMITED (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom. In addition, the Company should comply with laws and regulations relating to its operations, including health and safety, employees, data protection, and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the company determines and implements its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We reviewed correspondence with relevant authorities. We reviewed board minutes to identify non-compliance with laws and regulations, and we reviewed significant contracts and agreements impacting the company in the financial year.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESH TRADING LIMITED
(Continued)**

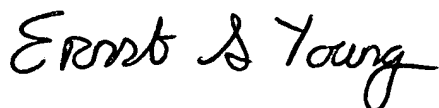
***Explanation as to what extent the audit was considered capable of detecting irregularities,
including fraud (Continued)***

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involve auditing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dermot Daly (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor

Dublin

Date: 18 May 2021

FRESH TRADING LIMITED**Profit and Loss Account**
for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Turnover	5	30,654	31,846
Administrative expenses		<u>(44,716)</u>	<u>(58,965)</u>
Operating loss	6	(14,062)	(27,119)
Interest payable and similar charges	7	<u>(1,853)</u>	<u>(1,191)</u>
Loss before tax		(15,915)	(28,310)
Tax on loss on ordinary activities	9	<u>-</u>	<u>-</u>
Loss for the year		(15,915)	(28,310)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss		<u>(15,915)</u>	<u>(28,310)</u>

The above results were derived from continuing operations.

FRESH TRADING LIMITED**Balance Sheet**

as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Fixed assets			
Tangible assets	10	713	12
Right-of-use assets	11	6,547	7,290
Investments	12	239,956	239,956
		<u>247,216</u>	<u>247,258</u>
Current assets			
Debtors	13	122,753	164,660
Cash at bank and in hand		685	40
		<u>123,438</u>	<u>164,700</u>
Creditors: Amounts falling due within one year	14	<u>(192,963)</u>	<u>(218,363)</u>
Net current liabilities		<u>(69,525)</u>	<u>(53,663)</u>
Total assets less current liabilities		177,691	193,595
Creditors: Amounts falling due after more than one year	14	<u>(7,212)</u>	<u>(7,201)</u>
Net assets		<u>170,479</u>	<u>186,394</u>
Capital and reserves			
Called-up share capital	15	-	-
Share premium reserve	15	212,626	212,626
Retained earnings		<u>(42,147)</u>	<u>(26,232)</u>
Shareholders' funds		<u>170,479</u>	<u>186,394</u>

Approved by the Board on 18 May 2021 and signed on its behalf by:



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J L Davenport
Company secretary and director

The notes on pages 16 to 37 form an integral part of these financial statements.

FRESH TRADING LIMITED**Statement of Changes in Equity for the Year Ended 31 December 2020**

	Called-up share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	-	12,398	2,078	14,476
Loss for the year	-	-	(28,310)	(28,310)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(28,310)	(28,310)
New share capital subscribed	-	200,228	-	200,228
At 31 December 2019	-	212,626	(26,232)	186,394

	Called-up share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	-	212,626	(26,232)	186,394
Loss for the year	-	-	(15,915)	(15,915)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(15,915)	(15,915)
At 31 December 2020	-	212,626	(42,147)	170,479

The notes on pages 16 to 37 form an integral part of these financial statements.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Authorisation of financial statements & statement of compliance with FRS 101

The financial statements of Fresh Trading Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the board on 18 May 2021. Fresh Trading Limited is a private company, limited by shares, incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) issued by the Financial Reporting Council ('FRC') and UK statute comprising the Companies Act 2006.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2020. The financial statements are prepared in Pound Sterling and are rounded to the nearest thousand Pounds (£ 000).

2 General information

The address of its registered office is:

Fruit Towers
342 Ladbroke Grove
London
W10.5BU
England

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) and Interpretations issued by the International Accounting Standards Board (IASB) and with International Accounting Standards (IAS) and International Financial Reporting Interpretations Committees (IFRIC) Interpretations, but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Group financial statements have not been prepared as the Company is exempt from preparing such financial statements under section 401(1) of the Companies Act 2006. The Company's financial statements present information about it as an individual company and not about its group. The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member and the ultimate controlling party, is The Coca-Cola Company. Copies of the group financial statements are available to the public from The Coca-Cola Company, PO Box 1734, Atlanta, Georgia 30301, United States of America. Copies of the financial statements can be obtained from the Company's registered office.

The financial statements are prepared under the historical cost convention.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- (d) the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (g) the requirements of IAS 7 Statement of Cash Flows;
- (h) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts and Customers.
- (i) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- (j) the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total; and
- (k) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The exemptions which the Company has availed of are disclosed in the consolidated financial statements of the ultimate parent company, The Coca-Cola Company.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis as, having reviewed the current position and cash flow projections of the Company (including those of its subsidiaries), the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements. Fresh Trading Limited has received a letter of support from its parent company, European Refreshments, stating its commitment to provide continuing financial support to enable the Company to meet financial obligations as and when they fall due up to 30 June 2022, but only to the extent that money is not otherwise available to meet such liabilities.

The response to the impact of COVID-19 is set out in the Strategic Report section. It is our view, to the best of our current knowledge, that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

Revenue recognition

Recognition

The Company earns revenue from an intellectual property licence fee and the provision of strategic services to a subsidiary company. This revenue is recognised in the accounting period when the performance obligations have been satisfied, at an amount that reflects the consideration to which the company expects to be entitled for fulfilling its performance obligations.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Rendering of services

Rendering of services revenue is recognised, based on the stage of completion of the contract and control of a right to be compensated for the services has been attained.

Foreign currency transactions and balances

The Company's functional currency and presentation currency is Pounds Sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the Profit and Loss Account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Tax

The tax expense for the year comprises current and deferred tax.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

The carrying values of tangible assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

A tangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the Profit and Loss Account in the period of de-recognition.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Useful life
Leasehold improvements	2-10 years

Investments

Fixed asset investments are stated at cost less provision for impairment in value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Leases

Definition

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date a lessee recognises a right-of-use asset and a lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Initial recognition and measurement

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the lease term of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are separately identifiable on the balance sheet, the detail of which is in note 11.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Subsequent measurement

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses.

Short term and low value leases

The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases). The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value. Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less. Cash and cash equivalents and bank overdrafts in notional cash pooling arrangements are presented gross. Bank overdrafts are included within creditors amounts falling due within one year in the balance sheet.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the Balance Sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the Balance Sheet when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the Company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:-

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

If an equity investment is designated as FVTOCI, all gains and losses, except for dividend income, are recognised in other comprehensive income and are not subsequently included in the statement of income.

Financial assets at fair value through the profit or loss (FVTPL)

Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss

Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Impairment of financial assets

Measurement of Expected Credit Losses

The Company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVTPL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables
- Financial guarantee contracts issued; and
- Loan commitments issued.

The Company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the Company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the Company recognises the lifetime ECL.

The Company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Company or economic conditions that correlate with defaults in the Company

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material provisions are discounted.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements often requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The judgements and estimates that have a risk of causing a material impact on the financial statements are discussed below.

Determining the lease term of contracts

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate on leases

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate (IBR) is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Impairment of financial assets

The company assesses impairment of financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

5 Turnover

Turnover, which is stated net of value added tax, represents the invoiced amounts of intellectual property license fee and the provision of strategic services to a subsidiary company. Turnover is attributable to the Company's continuing principal activity.

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**5 Turnover (continued)**

The analysis of the company's turnover for the year is as follows:

	2020	2019
	£ 000	£ 000
Amounts charged to other group undertakings	30,654	31,846
	<u>30,654</u>	<u>31,846</u>

The analysis of the Company's turnover for the year by destination is as follows:

	2020	2019
	£ 000	£ 000
Europe	30,654	31,846
	<u>30,654</u>	<u>31,846</u>

6 Operating loss

Operating loss is stated after charging/(crediting)

	2020	2019
	£ 000	£ 000
Included in administrative expenses:		
Depreciation expense	81	229
Depreciation on right-of-use assets - Property	698	563
Foreign exchange (gains)/losses	(599)	944
Derivative gains	<u>(180)</u>	<u>-</u>

Auditors' remuneration

- Audit services	38	37
- Taxation services	66	137

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**7 Interest payable and similar charges**

	2020	2019
	£ 000	£ 000
Interest on bank overdrafts and borrowings	207	8
Interest paid on loans from group undertakings	1,584	1,162
Other finance costs	62	21
	<u>1,853</u>	<u>1,191</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£ 000	£ 000
Aggregate remuneration in respect to qualifying services *	560	540
Aggregate contribution to pension scheme	28	11
Aggregate amounts receivable under deferred bonus scheme**	454	633
	<u>1,042</u>	<u>1,184</u>

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

8 Directors' remuneration (continued)

In respect of the highest paid director:

	2020 £ 000	2019 £ 000
Aggregate remuneration in respect to qualifying services *	330	310
Company contributions to money purchase pension schemes	25	7
Aggregate amounts receivable under new deferred bonus scheme**	300	416
	<u>655</u>	<u>733</u>

The directors of the company are also directors of Innocent Limited and other subsidiaries. The directors received total remuneration as disclosed in this note. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the subsidiary companies.

* £28,000 (2019: £11,000) of remuneration includes cash supplements in lieu of pension contributions. The total amount in respect of the highest paid director was £24,000 (2019: £7,000).

**This is the current year portion of the bonus awarded for 2020 as well as a retrospective element from 2019 and 2018 which had not been fully approved at the end of 2019. In accordance with the scheme rules, a proportion of the bonus amount is deferred and paid out in future years. £343,000 (2019: £453,000) of additional bonus was deferred to be paid out in January 2022 and January 2023. The total amount paid out in January 2021 in respect of the highest paid director was £202,000 (2019: £300,000).

9 Taxation

Tax charged/(credited) in the profit and loss account

	2020 £ 000	2019 £ 000
Current income tax		
UK corporation tax on loss for the period	(3,066)	(5,317)
Surrendered as group relief	1,714	2,182
Tax losses carried forward to future periods	<u>1,352</u>	<u>3,135</u>
Total current tax	<u>-</u>	<u>-</u>

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**9 Taxation (continued)**

The tax on loss before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Loss before tax	(15,915)	(28,310)
Corporation tax at standard rate	(3,024)	(5,379)
Expenses not deductible for tax purposes	-	47
Deferred tax asset not recognised	1,352	2,733
Group relief surrendered to subsidiary	1,714	2,182
Adjustments in respect of previous periods	-	84
Impact of difference in rate between Corporation Tax and Deferred Tax	-	333
Capital allowances in excess of depreciation	(14)	-
Other timing differences	(28)	-
Total tax charge	-	-

The reductions in the UK corporation tax rate to 17% with effect from April 2020 was substantively enacted at 31 December 2019 and as such, the deferred tax liability at 31 December 2019 was calculated based on this rate.

On 17th March 2020 HM Treasury substantively enacted a budget resolution to retain the corporation tax rate at 19% from 1 April 2020. Deferred taxes as of 31 December 2020 were calculated based on this 19% rate.

The aggregate unused tax losses for which no deferred tax asset is recognised amounts to £46,746,000 (2019: £40,147,000). There is no expiry date for utilising these losses.

The deferred tax included in the balance sheet is as follow:

	31 December 2020 £ 000	31 December 2019 £ 000
Deferred tax assets		
Accelerated capital allowances	43	58
Tax losses	8,812	6,825
Other timing differences	109	122
Deferred tax asset not recognised	(8,964)	(7,005)
	-	-
Net asset disclosed in the balance sheet	-	-

Upon review of forecast financial performance, no deferred tax asset is recognised.

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**10 Tangible assets**

	Leasehold Improvements £ 000	Total £ 000
Cost or valuation		
At 1 January 2020	251	251
Additions	782	782
Disposals	(20)	(20)
At 31 December 2020	<u>1,013</u>	<u>1,013</u>
Depreciation		
At 1 January 2020	239	239
Charge for the year	81	81
Eliminated on disposal	(20)	(20)
At 31 December 2020	<u>300</u>	<u>300</u>
Carrying amount		
At 31 December 2020	<u><u>713</u></u>	<u><u>713</u></u>
At 31 December 2019	<u><u>12</u></u>	<u><u>12</u></u>

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**11 Right-of-use assets**

	Property £ 000	Total £ 000
Cost or valuation		
At 1 January 2019	653	653
Additions	<u>7,200</u>	<u>7,200</u>
At 31 December 2019	<u>7,853</u>	<u>7,853</u>
At 1 January 2020	<u>7,853</u>	<u>7,853</u>
At 31 December 2020	<u>7,853</u>	<u>7,853</u>
Depreciation		
Charge for year	<u>563</u>	<u>563</u>
At 31 December 2019	<u>563</u>	<u>563</u>
At 1 January 2020	<u>563</u>	<u>563</u>
Charge for the year	<u>743</u>	<u>743</u>
At 31 December 2020	<u>1,306</u>	<u>1,306</u>
Carrying amount		
At 31 December 2020	<u><u>6,547</u></u>	<u><u>6,547</u></u>
At 31 December 2019	<u><u>7,290</u></u>	<u><u>7,290</u></u>

Lease Payments

The Company made lease payments of £183,750 (2019: £735,000) during the year.

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**12 Investments****Subsidiaries****£ 000****Cost or valuation**

At 1 January 2019

39,729

Additions

200,227

At 31 December 2019

239,956

Additions

-

At 31 December 2020

239,956

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2020	2019
Innocent Limited	Drinks sales and distribution	UK	100%	100%
Innocent Asia Limited	Drinks Sales and distribution	Hong Kong	100%	100%
Fresh Trading Supply B.V.	Drinks, Sales and distribution	Netherlands	100%	100%
Innocent ApS*	Drinks sales and distribution	Denmark	100%	100%
Innocent AB*	Drinks sales and distribution	Sweden	100%	100%
Innocent Alps GmbH*	Drinks sales and distribution	Austria	100%	100%
Innocent Deutschland GmbH*	Drinks sales and distribution	Germany	100%	100%
Innocent SAS*	Drinks sales and distribution	France	100%	100%
Innocent BV*	Drinks sales and distribution	Netherlands	100%	100%
Innocent Italia S.r.l.*	Drinks sales and distribution	Italy	100%	100%
Innocent Iberia S.L.U*	Drinks sales and distribution	Spain	100%	100%

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**12 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2020	2019
Innocent Japan Godo Kaisha*	Drinks sales and distribution	Japan	100%	100%
Fresh Trading Manufacturing B.V.*	Manufacturing	Netherlands	100%	100%
Innocent AS*	Drinks sales and distribution	Norway	100%	100%
Innocent Drinks (Shanghai) Co. Ltd.*	Drinks sales and distribution	China	100%	100%

* Held by a subsidiary undertaking

13 Trade and other debtors

	31 December 2020 £ 000	31 December 2019 £ 000
Amounts due from parent company relating to unpaid share premium	55,353	129,290
Amounts due from group undertakings	66,895	35,008
Prepayments	121	292
Other receivables	204	70
Derivative Assets	180	-
	122,753	164,660

Amounts due from group undertakings are interest bearing and repayable on demand.

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**14 Trade and other creditors**

	31 December 2020 £ 000	31 December 2019 £ 000
Trade creditors	35	968
Accrued expenses	487	390
Amounts due to group undertakings	167,393	216,822
Bank overdrafts	24,971	-
Lease liabilities	<u>7,289</u>	<u>7,384</u>
	200,175	225,564
Less non-current portion	<u>(7,212)</u>	<u>(7,201)</u>
	<u>192,963</u>	<u>218,363</u>

Amounts falling due after more than one year includes lease liabilities of £7,212,000 (2019: £7,201,000). Amounts due to group undertakings are interest bearing and repayable on demand. Part of amounts due to group undertaking is a payable of £106,732,000 to Innocent Limited, one of its subsidiaries. Innocent Limited have confirmed in writing that it will not call for payment of the amounts due unless the Company has sufficient funds available.

FRESH TRADING LIMITED**Notes to the Financial Statements**
for the Year Ended 31 December 2020 (continued)**15 Share capital****Allotted, called-up and fully paid shares**

	2020		2019	
	No.	£	No.	£
Ordinary A shares of £0.10 each	3,290	329	3,290	329
Ordinary B shares of £0.10 each	-	-	-	-
	<u>3,290</u>	<u>329</u>	<u>3,290</u>	<u>329</u>

16 Commitments**Other financial commitments**

The Company had no other financial commitments as at the balance sheet date (2019: None).

17 Financial instruments**Financial assets****Financial assets at fair value through profit or loss*****Derivative financial instruments***

The Company uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Derivative financial instruments are initially recognised at fair value on the date they are entered into and are subsequently re-measured at their fair value. The resulting gain or loss on re-measurement is taken to the profit and loss account.

	Carrying value	
	31 December 2020 £ 000	31 December 2019 £ 000
USD forward exchange contracts - unhedged	<u>180</u>	<u>-</u>

Valuation methods and assumptions

USD forward exchange contracts - unhedged:

The Company's derivatives are classified as being within level 2 of the fair value hierarchy. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

FRESH TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

18 Related party transactions

The Company has taken advantage of the exemptions under FRS101 not to disclose transactions with wholly owned subsidiaries or key management personnel.

19 Parent and ultimate parent undertaking

The immediate parent company and immediate controlling company is European Refreshments, a company incorporated in Ireland. The ultimate parent company and ultimate controlling party is The Coca-Cola Company, a company incorporated in Delaware, USA, and registered on the New York Stock Exchange. The Coca-Cola Company is the largest group and smallest group which includes the Company and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements for The Coca-Cola Company are available from The Coca-Cola Company, PO Box 1734, Atlanta, Georgia 30301, United States of America.

20 Events after the financial period

There have been no significant adjusting or non-adjusting events between the Balance Sheet date and the date of signing of the financial statements.